



United States  
Department of  
Agriculture

Farmers  
Home  
Administration

Washington  
D.C.  
20250

FmHA AN. NO. 2280 (1962)

May 8, 1991

SUBJECT: Interim Servicing of Farmer Program Borrowers  
Who File Bankruptcy

TO: State Directors, District Directors, and  
County Supervisors

ATTN: Farmer Programs Chiefs

PURPOSE/INTENDED OUTCOME:

The purpose of this Administrative Notice (AN) is to provide guidance in servicing Farmer Program (FP) borrowers who file bankruptcy. It is intended as interim guidance until provisions of the 1990 Farm Bill are implemented. This AN applies to FP borrowers who file bankruptcy but have not received notices in accordance with FmHA Instruction 1951-S.

COMPARISON WITH PREVIOUS AN:

No other AN has been issued on this subject. Guidance for primary and preservation loan servicing requests have previously been issued in unnumbered letters dated December 18, 1990, January 24, 1991, and February 6, 1991.

IMPLEMENTATION RESPONSIBILITIES:

FmHA Instruction 1962.47(a)(3) directs the County Supervisor to send Attachments 1 and 2 of Exhibit A of FmHA Instruction 1951-S, together with Exhibit D of FmHA Instruction 1962-A, to the attorney of an FP borrower who files bankruptcy. Due to provisions of the 1990 Farm Bill, County Supervisors SHOULD NOT send 1951-S notices to FP borrowers who file bankruptcy until the revised regulations and notices are issued.

Discharged Chapter 7 Bankruptcy FP borrowers whose attorneys were not previously sent the notices required by FmHA Instruction 1962.47(a)(3), SHOULD NOT be accelerated or liquidated until the revised regulations are issued.

Borrowers who file Chapter 7 Bankruptcy should be tracked in SENT as follows: Initialize this borrower into the "B files bankruptcy after 1-6-88" category. The first activity code will be CES001 (send Attachments 1 and 2 and Exhibit D).

EXPIRATION DATE: April 30, 1992

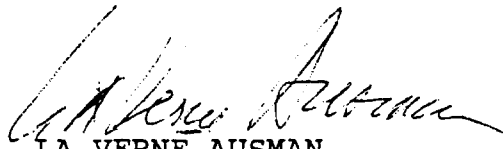
FILING INSTRUCTION:  
Preceding FmHA  
Instruction 1962-A



Farmers Home Administration is an Equal Opportunity Lender.  
Complaints of discrimination should be sent to:  
Secretary of Agriculture, Washington, D.C. 20250

Access the supporting activity and indicate that these notices have not been sent, due to the 1990 Farm Bill. Then select OTHER as the outcome and enter BANKRUPT.

If you have any questions, please contact A. Veldon Hall, Farmer Programs Loan Servicing and Property Management Division, at 447-4572.

  
LA VERNE AUSMAN  
Administrator